



Department of Justice

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Remarks as Prepared for Delivery by **United States Attorney Zachary A. Cunha**

Good afternoon. I'm United States Attorney Zachary Cunha; thank you for joining us here today.

Earlier this morning, two Rhode Island men were taken into federal custody for their alleged leadership roles in an organized retail theft ring, following the seizure, last week, of over 60,000 stolen items worth an estimated \$1.6 million dollars; we have likewise seized, pursuant to court order, multiple packages in transit, and two bank accounts.

Both individuals have now been charged by this office and have today been brought before a Federal Magistrate Judge to answer the charges against them.

Before I go any further, I'd like to introduce my law enforcement colleagues:

Ketty Larco-Ward, Inspector in Charge of the Boston Division for the United States Postal Inspection Service; and Michael J. Krol, Special Agent in Charge of Homeland Security Investigations for New England; you will hear from them both shortly.

I'd also like to introduce Colonel Bradford Connor, Chief of the Warwick, Rhode Island Police Department; Chief Connor's department was instrumental in this investigation.

I would also like to introduce and commend Assistant U.S. Attorney Ly Chin, who is leading this prosecution, and to thank Criminal Investigator Cory McManus of the Postal Inspection Service; Special Agent Rachael Robinson, of Homeland Security Investigations and Det. Matthew Smith of the Warwick Police Department whose investigative work was integral to this case.

Organized retail crime is a topic that's familiar to many of us from the news – incidents of organized shoplifting, retail stores with goods locked behind plexiglass, retail workers menaced by individuals or groups, as shoplifters make off with items from drugstores, groceries, or big box retailers.

Today's charges are leveled against two high-level players in one of the types of criminal organizations that drives that kind of retail theft: Norman L. Cipriano, 52, of Warwick, Rhode Island and Patrick M. Vigneau, 59, of Cranston, Rhode Island.

We allege that these two men served as what are known as "diverters," in an organized retail crime ring that netted an estimated \$12.3 million dollars in revenue over the past three years by

targeting, stealing, and then reselling high end goods, primarily cosmetics, over the counter medications and supplements, and other compact, high-value items.

To give you some context for what that means, this chart illustrates the common structure of an organized retail crime organization like the one we are talking about today.

At the lowest level, individuals or groups known as boosters, are recruited to engage in the actual retail theft – shoplifting items to be passed on to the organization. These are the folks that actually steal things from store shelves.

In an organization like this, that theft isn't random. The boosters will target specific items at the direction of a crew boss, who tells them what to steal, and pays them for their work, often in cash or cryptocurrency.

Above the crew bosses sit an array of players who serve as middlemen and logistics coordinators – fencers, who typically own warehouses or front companies; cleaners, employed to make sure that goods are stripped of any indications that they are stolen, and above them, as we approach the highest levels in the hierarchy, sit the diverters – individuals such as, we allege, the two defendants charged today.

Diverters typically serve as large scale distributors and wholesalers. They will often set up shell companies to both conceal their own roles and launder illicit proceeds. They will, in turn, serve as suppliers to small and mid-size retailers who are unwitting purchasers of these stolen goods, or, to a lesser extent, sell the goods directly to consumers via online marketplaces.

It is our allegation that Cipriano and Vigneau both served in the role of diverters.

Based on an extensive, three-year investigation into this ring, federal agents last week executed multiple search warrants at locations in Pawtucket, Warwick, and Cranston, Rhode Island.

Those warrants uncovered vast quantities of stolen goods – again, primarily cosmetics and over the counter drugs, as you can see in the photograph from the Warwick location and likewise in Cranston.

To give you some further sense of the level of organization involved, you can see at one Pawtucket location searched by federal officers, what looks like a warehouse storeroom with all manner of stolen goods, organized, neatly stacked, and ready for resale.

The same was true at a second warehouse location located at another Pawtucket address also searched last week and while the pictures give you some sense of the scale of this enterprise – as I referenced, federal agents seized 60,000 items, worth roughly \$1.6 million, that were on hand at the time these warrants were executed.

in physical terms, that's enough stolen goods that it required three 24-foot box trucks – like the one partially visible in the picture, all of which were eventually filled to capacity – to transport with stolen goods from these locations.

I want to emphasize two things: this investigation remains ongoing, and we anticipate further charges yet to come against other players.

For members of the public who may be asking what impact this has on them, let me say this: first and foremost, the clearest, most obvious, and most devastating impact of these kinds of criminal organizations is that they put our friends, neighbors, and family members who work in retail at risk from

the violence that can occur if a thief is confronted; they degrade quality of life in our communities, as goods in stores are locked away for safety; and most significantly, they impose a heavy economic price, as the costs of theft driven losses gets passed along to all of us at the cash register.

With that, I know the Inspector in Charge and the Special Agent in Charge have some thoughts they would like to offer, and then we'll take your questions.

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